



Business Conference Brief Product Center 2

Presented by:

Jeff Shields – PC Leader

Bob Zane – Assistant PC Leader



Topics

- Balanced Scorecard
- PC 2 Status
- BSM Update
- PC 2 Issues
- Takeaways

DSCR Balanced Scorecard

Can we continue to improve and create value?

Where must we excel?

Internal Process Perspective	
Goals	Measures
- Streamline Processes - Increase Automation - Increase SCM Initiatives	Administrative Lead Time
	Purchase Requests
	Delinquency Data
	Supply Chain Management Initiatives

Customer Perspective	
Goals	Measures
- Improve Support - Reduce Wait Time - Reduce Cost	High Frequency SA
	Backorder Index
	LRT
	Product Quality
	IPE On-Time Completion

Learning and Growth	
Goals	Measures
Deliver the proper knowledge and skills	DAWIA Certification
	DLA QAS Certification
	Supervisory Certification
	Telework
	Workforce Sustainment

Financial Perspective	
Goals	Measures
- Reduce Customer Support Cost - Exceed NOR Expectations - Improve Inventory Turn Rate	Gross Sales at Standard
	Stocked Backorders at Cost
	Material Obligations
	Operational Obligations
	Unit Cost Performance
	Net Operating Result
	Inventory Actions
	FTEs & End Strength

How do customers see us?

How do we look to shareholders?

Product Center Scorecard April

FY04

PC	PR's ON-HAND	PRs > 180 DAYS OLD	REPLEN PRs > ALT	DELQ RATE	LTC %HIGH - FREQ NSNs	HIGH FREQ SA	STK B/Os > 180 DAYS	BO INDEX	Total B/O \$ @ COST	Overall
1	2	2	2	2	3	0	0	0	1	12
2	2	2	2	2	2	2	0	2	2	16
3	2	2	2	2	2	0	2	2	0	14
4	2	2	2	2	0	3	0	0	2	13
5	2	2	2	2	0	2	0	1	2	13
6	2	2	0	2	0	0	0	0	1	7
7	2	2	0	2	2	0	0	0	0	8
10	2	2	0	2	3	0	2	1	2	14
11	2	2	2	2	0	2	1	2	1	14
K	2	2	2	2	2	2	2	0	2	16
DSCR	2	2	2	2	0	2	1	1	2	14

Legend:

COLOR	STD	CRIT	Overall		
	2	3			18-21
	1	2			14-17
	0	0			10-13
					0-9

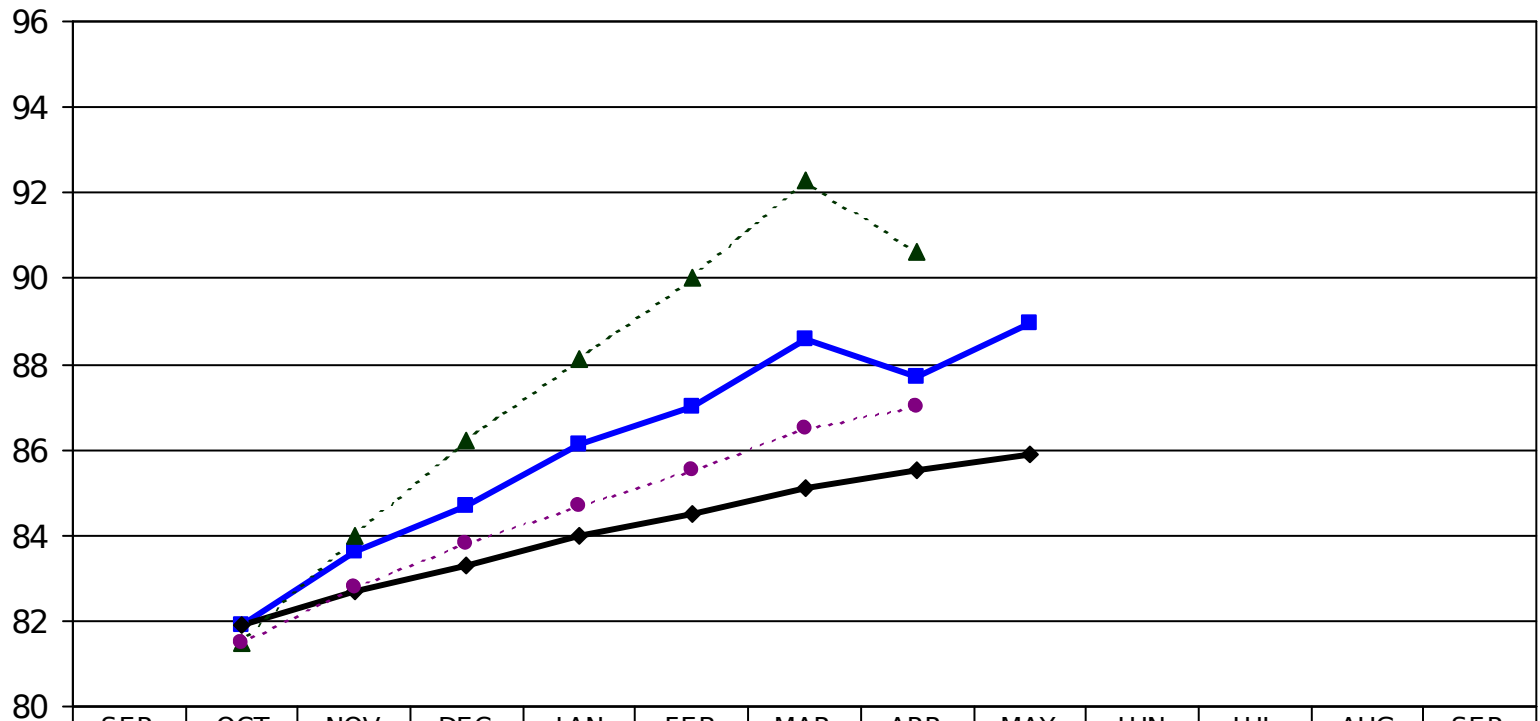
Product Center 2 Summary

	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	CUM FY 04
SA%	84.7%	86.1%	87.0%	88.6%	87.7%	88.9%	
BO Lines OH	6,478	6,126	5,481	4,642	4,772	4,533	
Sales \$ @ Cost (Cum)	\$38.9	\$51.8	\$62.8	\$75.9	\$89.8	\$102.7	
PRs OH	2,317	2,458	2,000	1,995	2,144	2,098	
PRs Awarded	766	911	791	816	718	676	
LTC Actions % (Cum)	72.2%	70.2%	68.5%	66.7%	66.1%		
Delinquency Rate	6.6%	7.3%	7.0%	4.0%	4.0%	5.0%	
Earnings / Oblig (Cum) *	66.0%	59.5%	60.0%	61.5%	65.8%	68.3%	
PQDRs OH	15	18	28	29	39	35	
MDWLs OH	409	386	428	364			

- BO Lines OH: data reflects F067 Simulation.

Supply Availability

Product Center 02

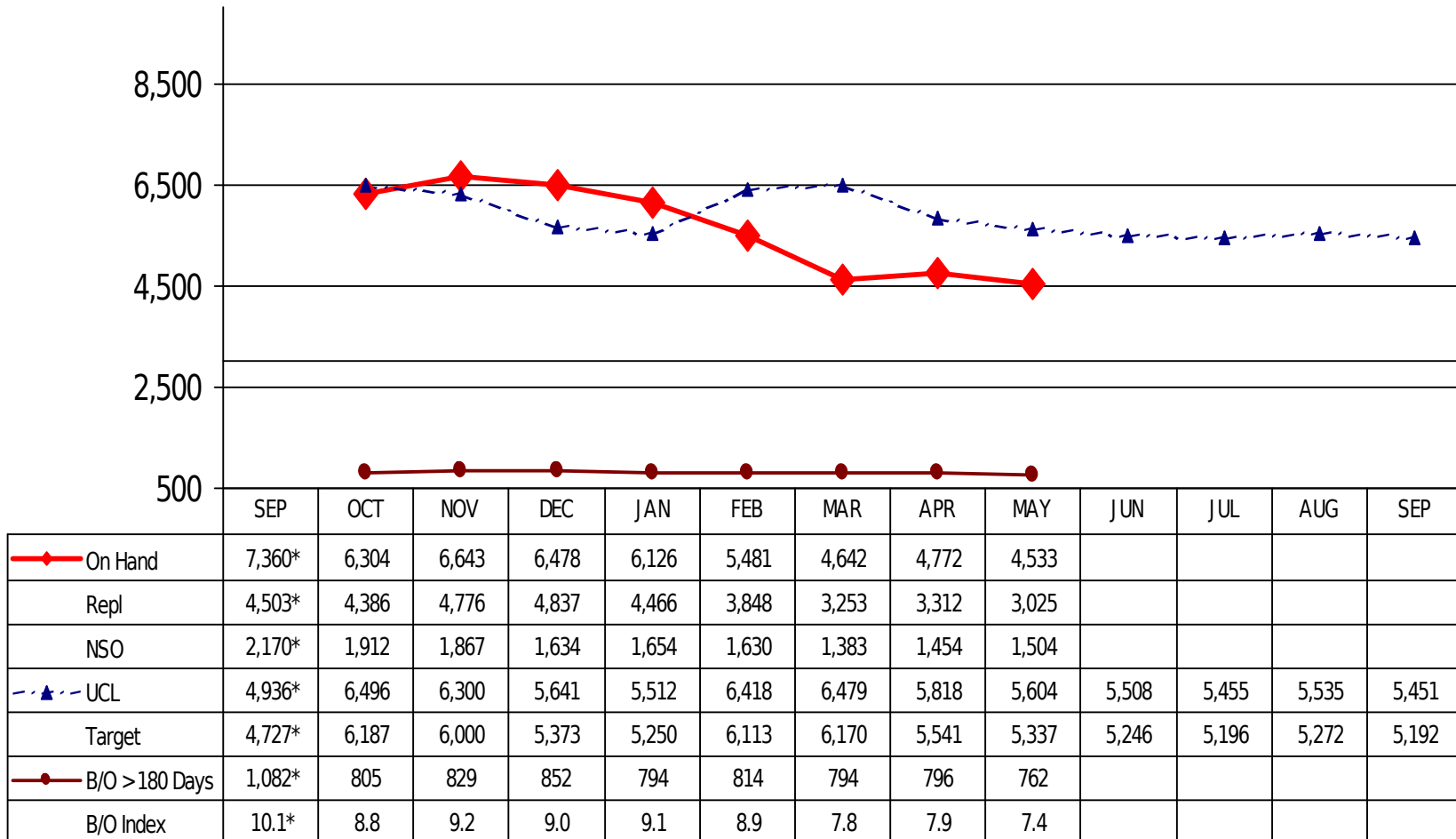


	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Mo SA %	84*	81.9	83.6	84.7	86.1	87.0	88.6	87.7	88.93				
Cum SA%	86*	81.9	82.7	83.3	84.0	84.5	85.1	85.5	85.91				
MO DMS	20,137*	23,746	22,340	19,958	19,243	16,851	17,811	19,659					
MO Hi FREQ SA%	88*	81.5	84.0	86.2	88.1	90.0	92.3	90.6					
Cum Hi FREQ SA%	90.7*	81.5	82.8	83.8	84.7	85.5	86.5	87.0					

Source: F067 Sim

Backorder Lines On Hand

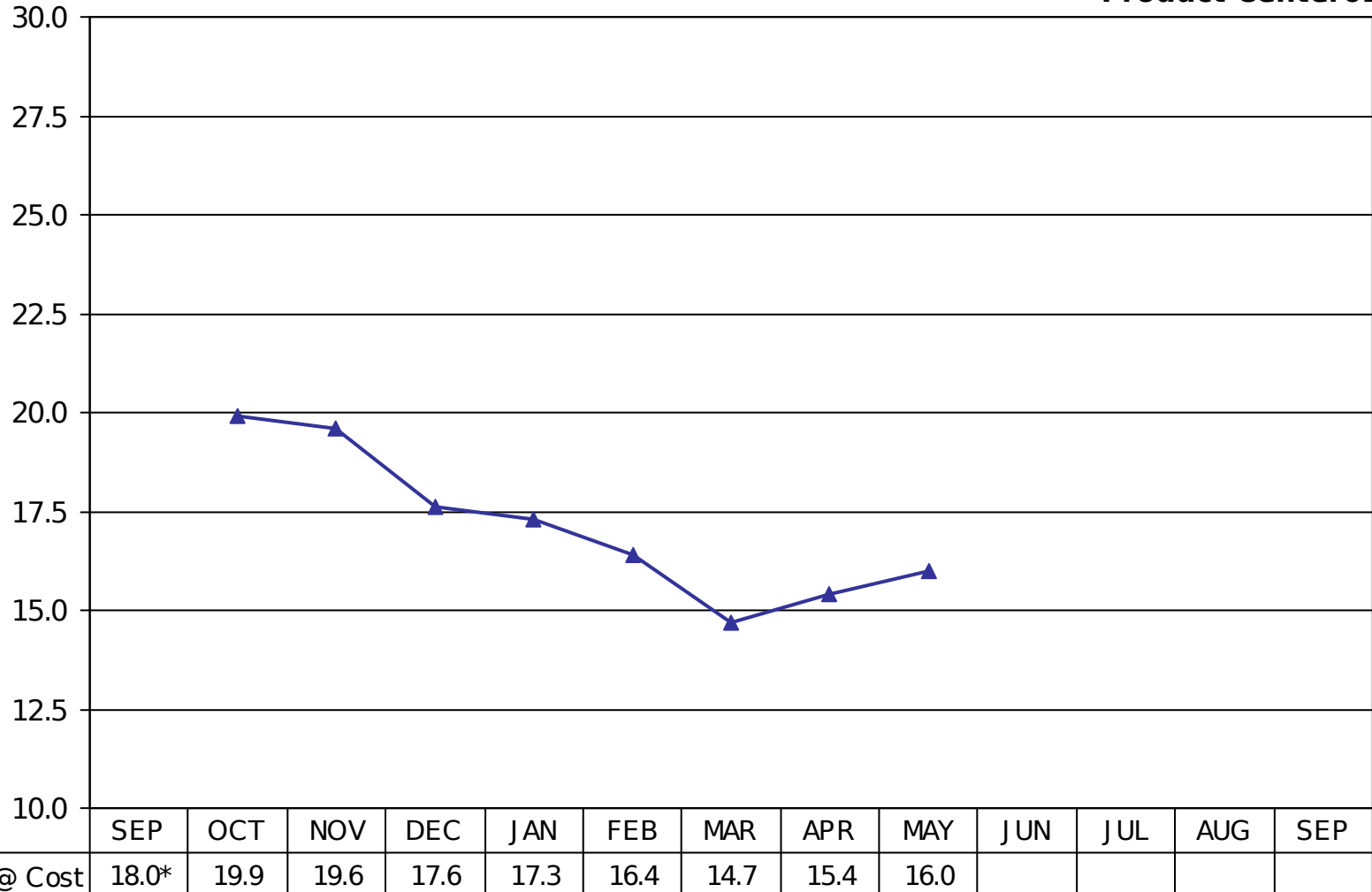
Product Center 02



Source: F067 Simulation

Total Backorder Dollar Value at Cost

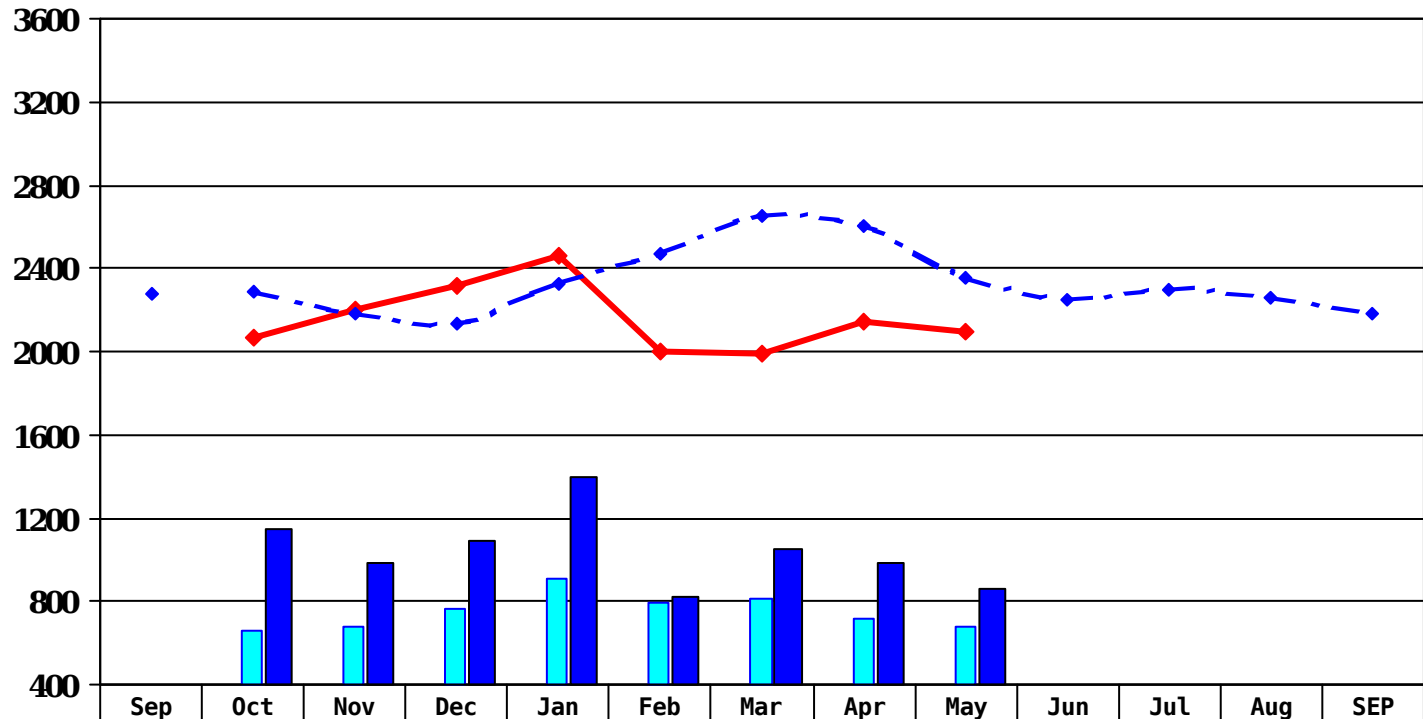
Product Center02



Source: F40 Report

Purchase Requests

Product Center 2

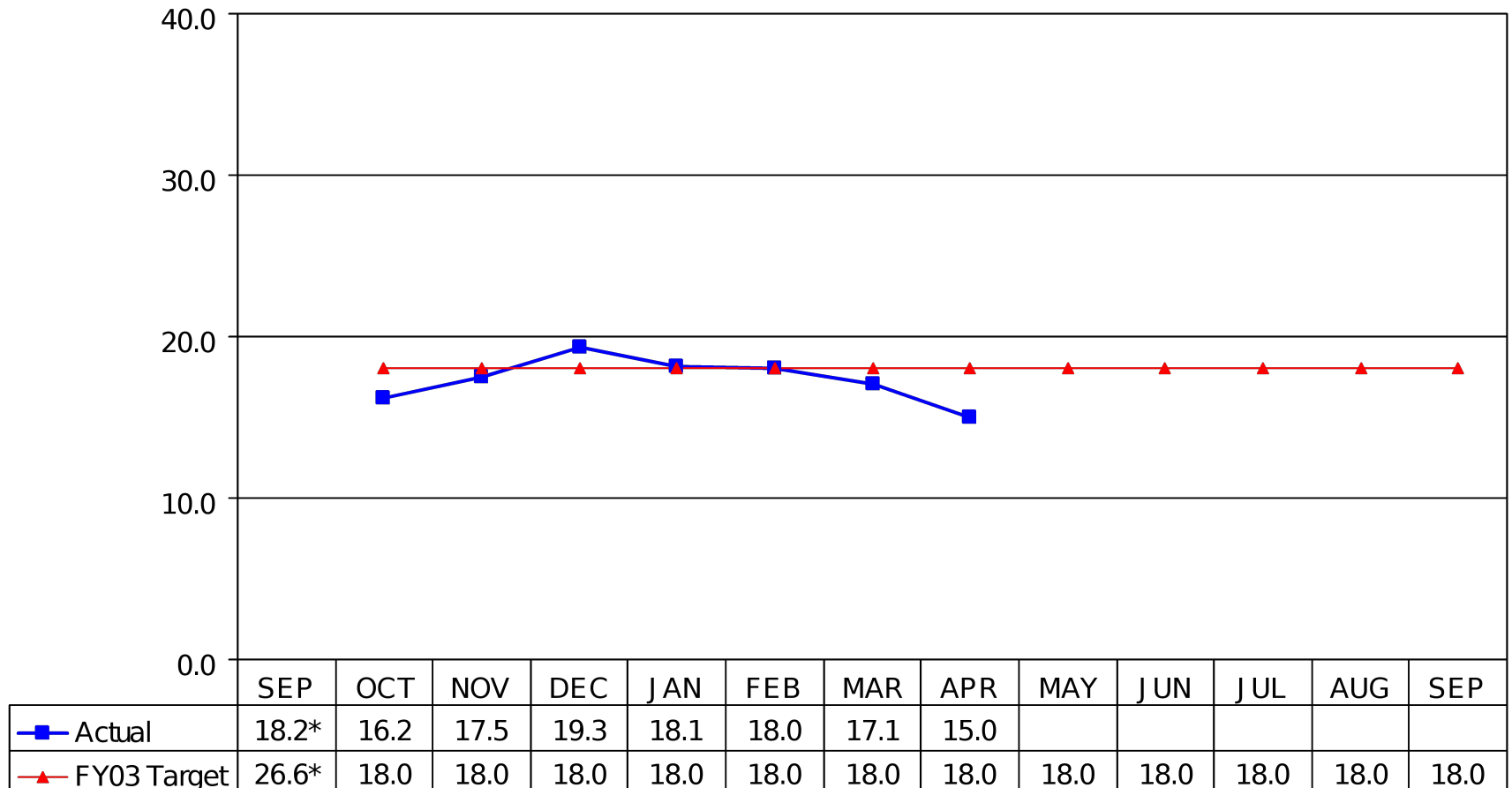


	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	SEP
PRs \$ On-hand	34.5*	41.3	36.8	43.9	41.5	31.3	29.6	32.7					
PRs Received	856*	1,150	982	1,086	1,394	822	1,051	987	864				
PRs Awarded	707*	655	682	766	911	791	816	718	676				
PRs OH	2,014*	2,067	2,198	2,317	2,458	2,000	1,995	2,144	2,098				
Upper Control Limit	2,520*	2,290	2,181	2,135	2,329	2,468	2,653	2,605	2,352	2,247	2,300	2,256	2,178
OH Monthly Target	2,400*	2,128	2,077	2,033	2,218	2,351	2,527	2,481	2,240	2,140	2,190	2,149	2,074
Lower Control Limit	2,280												

Source: GLOOP5

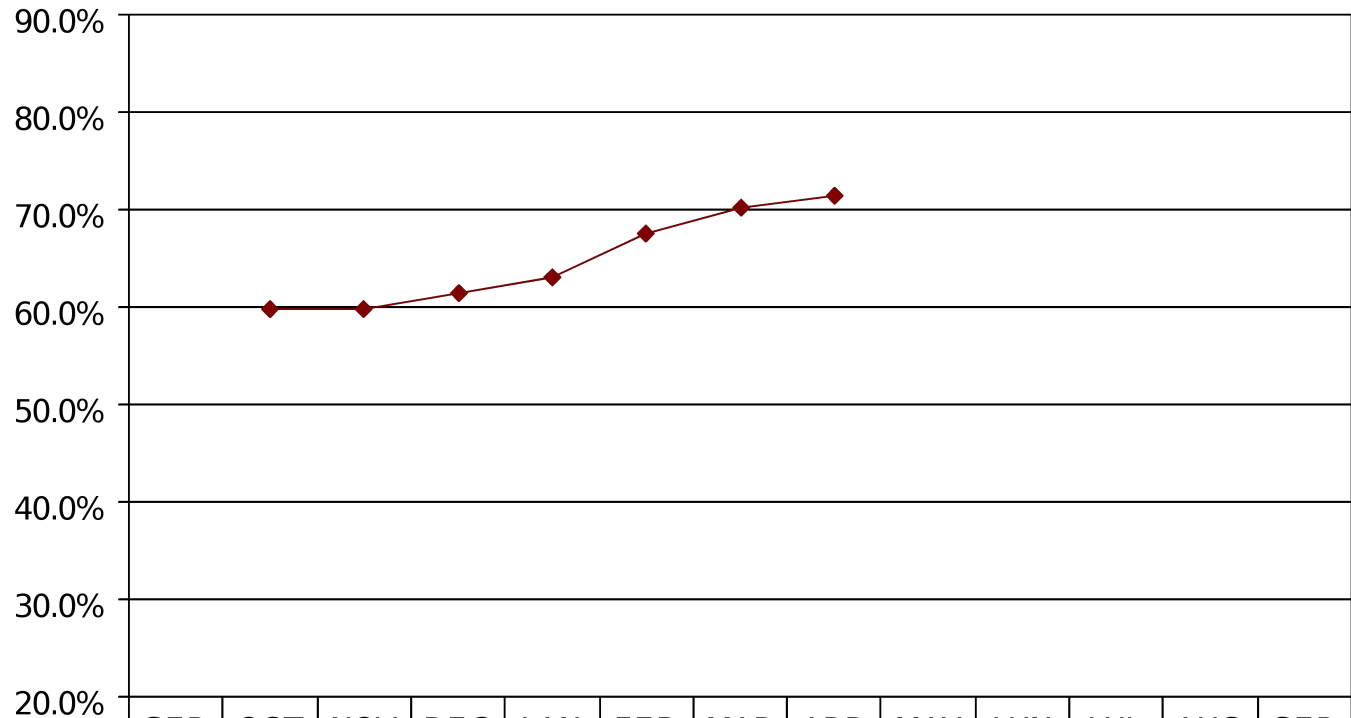
% of Replenishment PRs, Aged > ALT of Record

Product Center 02



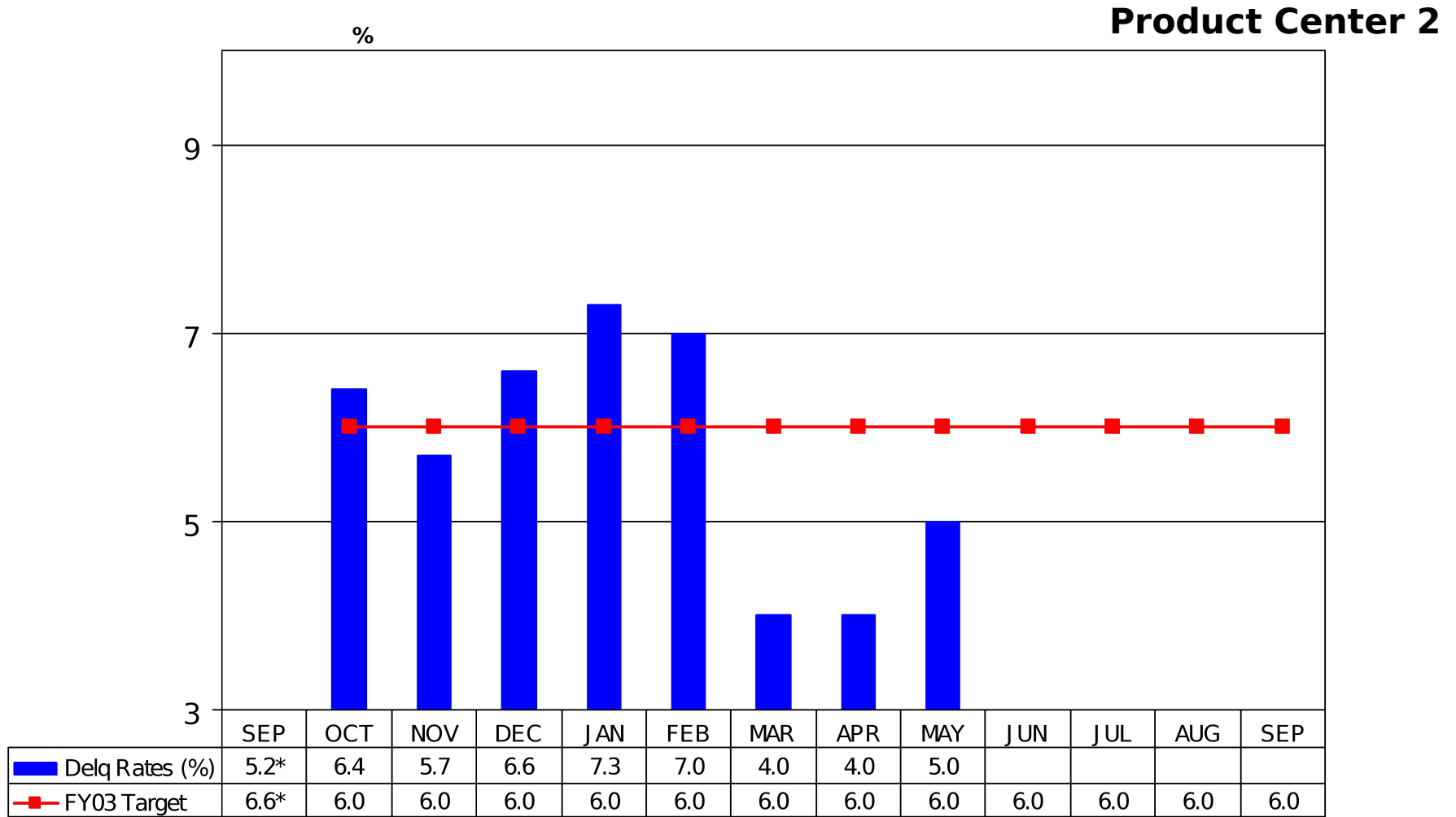
Long Term Contracts, % High Frequency NSN Coverage

Product Center 02



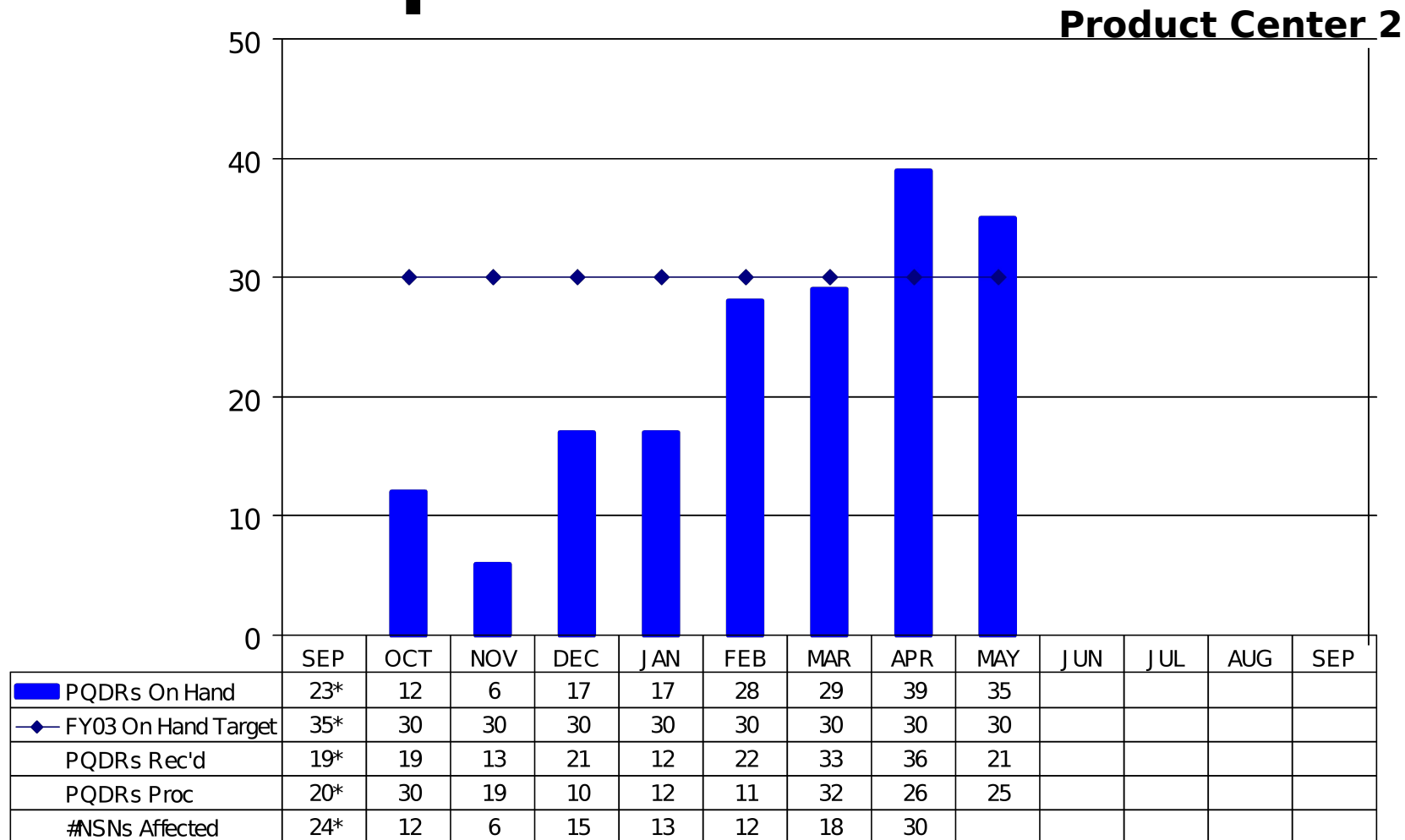
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
◆ LTC % Hi Freq NSNs	58.4%	59.7%	59.8%	61.5%	63.1%	67.5%	70.3%	71.4%					
▲ Count of High Freq NSNs	618*	727	727	726	727	728	728	726					
TOT LTC % of Actions Cum	69.4%	72.5%	73.5%	72.2%	70.2%	68.5%	66.7%	66.1%					

Delinquency Data



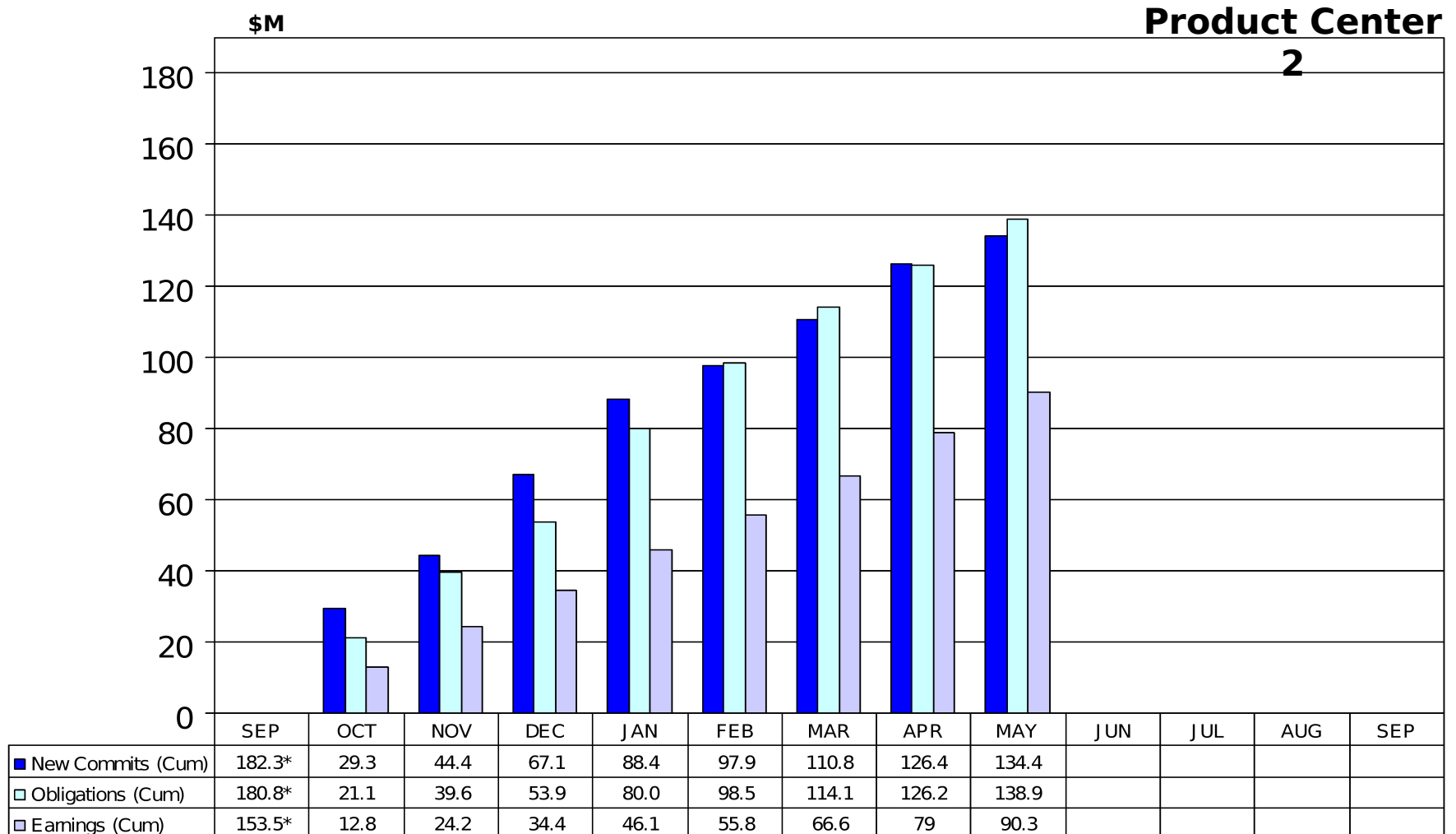
Source: F36

Product Quality Deficiency Reports on Hand



Source: Customer/Depot Complaint System

Commitments, Obligations and Earnings



Source: DGSC.F.TEST44.(Oblig)/Earnings GSFF4801 (RRS)



Supplier Operations Organization

D / DD DSCR

Supplier Operations Directorate
Director/Deputy Director (1)
Supplier Operations

ESOC

Command/Control
- Staff

CCO

Aviation OEM Division

OEM Branch 1

- Sikorsky IST
- Bell IST
- BF Goodrich IST
- Eaton IST
- Misc. Aviation OEM IST
- Smiths IST
- BAE IST
- Future ISTs

OEM Branch 2

- GE IST
- Honeywell IST
- Pratt & Whitney IST
- Rolls Royce IST

OEM Branch 3

- Boeing IST
- Lockheed Martin IST
- Parker Hannanfin IST
- Northrop Grumman IST
- Hamilton Sundstrand IST

Mapping - 1 14, 2 13s

IPE - 1 14, 7 13s

Aviation Engines & Airframes Division

Aviation & Airframes Branch 1

- Airframes I IST
- Airframes II IST
- Airframes III IST

Aviation & Airframes Branch 2

- Airframes IV IST
- Airframes V IST
- Airframes VI IST

Aviation & Airframes Branch 3

- Airframes VIII IST
- Airframes IX IST
- Airframes X IST

Engines & Airframes Branch

- Airframes VII IST
- Engines I IST
- Engines II IST
- Misc. Aviation Engines & Airframes IST

Aviation SC Commodities Division

Chemicals/Rings/Shims/Spacers Branch

- Chemical/Petroleum Industrial Gasses IST
- Bushings / Rings / Shims / Spacers I IST
- Bushings / Rings / Shims / Spacers II IST

Electrical Components & Cables Branch

- Electrical Components IST
- Cables I IST
- Cables II IST
- Power IST
- Misc. Components & Cables IST

Instrumentation & Non-NSN Branch

- Instrumentation I IST
- Instrumentation II IST
- Special Purchase/New Item IST

MSG Division

Special Acquisitions

- Corporate Contracting 1
- Corporate Contracting 2
- Corporate Contracting 3
- Corporate Contracting 4
- Specialized Support

Planning Requirements

- Pre-Award
- Post-Award
- Kitting

Industrial Preparedness

DSO DSCC

DSO DSCP

SRM - 4 14s, 4 13s

Supplier Support Division

PACE Second Look Branch

- Resolution Specialist Branch
- Packaging Branch
- Financial Branch
- Management Analysis Branch

DSCC Aviation Detachments

- Division 1
- II IST
- III IST

Division 2

- I IST
- IV IST

MSG Division

SSA IST

Supplier Support Division

Aviation Detachments

DSCP Aviation Detachment

- Threaded Fasteners Division
- FSC 5305 I IST
- FSC 5305 II IST
- FSC 5306 IST
- FSC 5307 IST
- FSC 5325 IST

Non-Threaded Fasteners Division

- FSC 5310 I IST
- FSC 5310 II IST
- FSC 5315 I IST
- FSC 5315 II IST
- FSC 5320 IST

Aviation MSG

- IPV Ground/Aviation
- IPV Aviation)
- IPV Gen. II Worldwide Support

- Long Term Contracts
- Strategic Material Sourcing
- Corporate Contracts

Support Staff

Supply Support Division

Cherokee Support

Detachments at DSCR

Maritime Branch 1

- Bearings I IST
- Bearings II IST
- Bearings III IST

Maritime Branch 2

- Motors IST
- Maritime Instruments IST
- Maritime Misc. IST
- Maritime SSA IST

Land Branch

- Batteries I IST
- Batteries II IST
- SSA/Land Misc. IST

"Son Of" PC 2



PC 2 Issues - Contracting

- Multiple NSN, Competitive Solicitations
- Multiple Awards
 - Maintain Industrial Base
 - Increased Production Capacity
 - Reduced Government Inventory
- Delinquent Contracts
 - Reduced Times For Validation Of Existing CDDs
 - Negotiate Revised CDDs Or Termination/New Contract
- Delivery To Depots
 - Need To Call For Appointment ASAP
 - Monitor Shipments



PC 2 Issues - Tech/Quality

- Resolving Technical Issues
 - Let DSCR Know **EARLY**
 - Do Not Incur Costs Without Contractual Approval
- Source Approval Requests
 - Complete, Current Data
 - Follow Up With ESA
- Conditional Approval Pending First Article Test

Together, We Can Resolve



Points Of Contact

- If You Cannot Resolve An Issue With Your Initial POC IN PC2, These Are Your Points Of Contact
 - Contracting Branch Chief – Janice Hicks x1585
 - Contracting Section Chief – Faye Brock x5058
 - Contracting Section Chief – Chris Moore x6360
 - Contract Administration Chief – Cindy Walk x5375
 - Inventory Management Branch Chief – Ronnie Crosby x4690
 - Technical/Quality Branch Chief – Charles Bates x3598
 - Assistant PC Leader – Bob Zane x5656
 - PC Leader - Jeff Shields x3290
- All Phone Numbers Are 804-279-Extension
- All E-Mail Addresses Are:
FirstName.LastName@dla.mil



Takeaways

- Overall, PC 2 Is Doing Well
- Vendors Are Meeting Increased Wartime Demands (So Far) – Future Is Unknown
- Flexible, Long Term Contracts Are Here To Stay
- Although BSM Will Change Many Things – DSCR Will Have Group Facing Cable Industry
- We Need Your Help To Meet The Critical Needs Of Our Nation's Warfighters!